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WILLOUGHBY & HOEFER, P.A.

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P.O. BOX 8416

COLUMBIA, SOUTH CAROLINA 29202-8416

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TELEPHONE 252-3300
TELECOPIER 256-8062

TRACEY C. GREEN
SPECIAL COUNSEL

February 16, 2007

*ALSO ADMITTED IN TX
**ALSO ADMITTED IN VA

The Honorable Charles L.A. Terreni
Chief Clerk / Administrator
Public Service Commission of South Carolina
Post Office Box 11649
Columbia, South Carolina 29211

2007-61-5

RECEIVED
2007 FEB 16 PM 3:18
SOUTH CAROLINA
PUBLIC SERVICE
COMMISSION

RE: Application of Woodland Utilities, Inc. for adjustment of rates and charges for the provision of sewer service

Dear Mr. Terreni:

Enclosed for filing are the original and ten (10) copies of the Application of Woodland Utilities, Inc., in the above-referenced matter. Also enclosed you will find the Applicant's proposed notice of filing and hearing. By copy of this letter, I am serving a copy of these documents upon the Office of Regulatory Staff and enclose a Certificate of Service to that effect.

I would appreciate your acknowledging receipt of this Application and Certificate by date-stamping the extra copies that are enclosed and returning it to me via our courier.

If you have any questions or if you need any additional information, please do not hesitate to contact us.

Sincerely,

WILLOUGHBY & HOEFER, P.A.



Benjamin P. Mustian

BPM/amw

cc: Florence P. Belser, Esquire
Nanette S. Edwards, Esquire

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA

DOCKET NO. 2007-_____-S

RECEIVED
2007 FEB 16 PM 3:18
SC PUBLIC SERVICE
COMMISSION

IN RE:

Application of Woodland Utilities, Inc.
for adjustment of rates and charges
for the provision of sewer service.

CERTIFICATE OF SERVICE

This is to certify that I have caused to be served this day one (1) copy of the **Application** and proposed **Notice of Filing and Hearing** by placing same in the care and custody of the United States Postal Service with first class postage affixed thereto and addressed as follows:

Florence P. Belser, Esquire
Nanette S. Edwards, Esquire
Office of Regulatory Staff
Post Office Box 11263
Columbia, South Carolina 29211

Andrea M. Wright
Andrea M. Wright

Columbia, South Carolina
This 16th day of February, 2007.

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA

DOCKET NO. 2007-61 -S

FILED
2007 FEB 16 PM 3:18
SC PUBLIC SERVICE
COMMISSION

IN RE:

Application of Woodland Utilities, Inc.
for adjustment of rates and charges
for the provision of sewer service.

APPLICATION

Woodland Utilities, Inc. ("Applicant" or "Company") would respectfully show unto, and request of, the Commission as follows:

BACKGROUND

1. Applicant is a corporation organized and existing under the laws of the State of South Carolina and authorized to do business in the State of South Carolina.
2. Applicant is a public utility, as defined by S.C. Code Ann. § 58-5-10(4) (Supp. 2006), providing sewer service to the public for compensation in Lexington County, South Carolina pursuant to rates approved by the Commission in Docket No. 1991-237-S.
3. All communications or inquiries regarding this Application should be directed as set forth below:

a. **Applicant's Representative:**

Mr. J. Donald Dial
Woodland Utilities, Inc.
2712 Middleburg Drive - #208
Columbia, SC 29204-2415

b. **Legal Counsel:**

John M. S. Hoefer, Esquire
Benjamin P. Mustian, Esquire
Willoughby & Hoefer, P.A.
Post Office Box 8416
Columbia, South Carolina 29202-8416
803-252-3300

REQUEST FOR RATE RELIEF

4. Pursuant to S.C. Code Ann. § 58-5-240 (Supp. 2006) and 26 S.C. Code Ann. Regs. R. 103-512.4.A (Supp. 2006), Applicant requests that the Commission approve an increase in its monthly sewer service charges as set forth in the one (1) page rate schedule attached hereto and incorporated herein by this reference as Exhibit “A.”

SUPPORTING DOCUMENTATION

5. Applicant proposes a test year of January 1, 2006 to December 31, 2006 and has prepared certain financial statements relating to that time period in support of the Application, which statements are attached hereto and incorporated herein by this reference as Exhibit “B,” pages 1 through 4. These financial statements include the following:

- a. Balance Sheet (Schedule A),
- b. Current and pro forma income and expense statements (Schedule B),¹ and
- c. Asset and Depreciation Schedule (Schedule C).

Applicant also submits as Exhibit “B”, pages 5 through 6, the following information in support of the Application:

¹ These calculations are for informational purposes only as Applicant will submit evidence with respect to proper operating margin at hearing.

d. Sewer proposed revenues (Schedule D)

f. Schedule of current and projected customers (Schedule E)

6. Attached hereto and incorporated herein by this reference as Exhibit “C” is the most recent approval letter from the South Carolina Department of Health and Environmental Control (“DHEC”).

7. Attached hereto and incorporated herein by this reference as Exhibit “D” is the Company’s current customer bill form.

8. There is on file with this Commission a performance bond given to satisfy the requirements of S.C. Code Ann. § 58-5-720 (Supp. 2006).

9. A map depicting Applicant’s current service area is on file with the Commission.

10. The financial statements, the other documents submitted herewith, and the references to documents on file with the Commission are offered to comply with Commission Rules R. 103-512.4 and to provide information useful to the Commission in considering the reasonableness of the proposed rate schedule.

NEED AND JUSTIFICATION FOR RATE RELIEF

11. Applicant submits that the proposed sewer rate increases are necessary in order for it to recover its costs and expenses of providing service and provide reasonable and adequate service to its customers. The rates proposed are also necessary to comply with standards and regulations set by DHEC and other governmental agencies which regulate the environmental aspects of Applicant’s business. Applicant further submits that the proposed rates are necessary to enable it to earn a reasonable return on its investment and to attract capital for future improvements. Said rates will preserve the financial integrity of the Applicant, promote

continued investment in and maintenance of its facilities, and thereby permit Applicant to continue providing reliable and high quality sewer services.

WHEREFORE, having fully set forth its Application, Woodland Utilities, Inc. prays that the Commission approve the rates proposed and grant to Applicant such other and further relief as the Commission may deem just and proper.



John M. S. Hoefer
Benjamin P. Mustian
Willoughby & Hoefer, P.A.
Post Office Box 8416
Columbia, South Carolina 29202-8416
803-252-3300
jhoefer@willoughbyhoefer.com
bmustian@willoughbyhoefer.com
Attorneys for Woodland Utilities, Inc.

Columbia, South Carolina
This 16th day of February, 2007

PROPOSED RATE SCHEDULE

.WOODLAND UTILITIES, INC.

SCHEDULE OF RATES AND CHARGES

SEWER

Monthly Charges

Residential - charge per single-family house:	\$31.50 per unit
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Apartment:	\$31.50 per unit
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Schools (with Cafeteria, no gym, no showers):	\$2.46 per person*
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* Based upon SCDHEC's guidelines for unit contributory loadings to wastewater treatment facilities.

WOODLAND UTILITIES, INC.
BALANCE SHEET

Exhibit B
Page 1 of 5
Schedule A

	Year 2006
ASSETS:	
Cash	\$ 1,380
Accounts Receivable:	
Accounts Receivable-Trade	5,569
Accounts Receivable-Other	-
Property and Equipment:	
Land	16,270
Utility Plant Acquisition	191,670
Plant and Equipment	121,675
Furniture & fixtures	1,463
Leasehold Improvements	1,315
Less Accumulated Depreciation	<u>(122,483)</u>
TOTAL ASSETS	<u>\$ 216,859</u>
 LIABILITIES AND STOCKHOLDER'S EQUITY:	
Accounts Payable:	
Accounts Payable-Trade	\$ 3,256
Accounts Payable-401K Deduction	155
Accrued Salary	12,500
Unemployment Taxes	23
Note Payable	87,321
Common Stock	1,000
Paid In Capital	207,940
Retained Earnings	(34,488)
Income	<u>(60,848)</u>
TOTAL LIABILITIES & STOCKHOLDER'S EQUITY	<u>\$ 216,859</u>

WOODLAND UTILITIES, INC.
INCOME AND EXPENSES

2006

Exhibit B
Page 2 of 5
Schedule B

	Per Book 12/31/2006	Accounting & Pro Forma Adjustments	Proforma Present	Proposed Rate Increase	Rate Case Balance	Notes
UTILITY OPERATING INCOME:						
Service - General Customers						
Residential	74,370		74,370	85,146	159,516	Schedule D
Commercial	89,460		89,460	98,406	187,866	Schedule D
Late Fees - Residential	480		480	550	1,030	Schedule D
Late Fees - Commercial	210		210	231	441	Schedule D
Other Accts Receivable Adjustments	(948)	948	-	-	-	Schedule D
TOTAL OPERATING REVENUE	163,572	948	164,520	184,333	348,853	
UTILITY OPERATING EXPENSES:						
Fuel - Power Purchased for Pumping	34,112	-	34,112		34,112	
Treatment & Disposal Expenses						
Materials & Supplies	62,106	-	62,106		62,106	
Customer Accounts Expense:						
Salaries & Wages - Employees	16,747	(4,630)	12,117	-	12,117	
Salaries & Wages - Officers, Directors & Majority Stockholders	45,000	(8,317)	36,683	-	36,683	
Admin & General Expense:						
Employee Taxes - Payroll	4,291	(436)	3,855		3,855	Based on 7.90 % of Wages
Employee Pension and Benefits	6,520	-	6,520		6,520	
Repairs	16,314	-	16,314		16,314	
Contractual Services - Engineering	2,813	-	2,813		2,813	
Contractual Services - Accounting	15,727	(2,000)	13,727		13,727	
Contractual Services - Legal	2,024	(2,024)	-		-	
Contractual Services - Other	-	-	-		-	
Rental of Bldg	1,970	(570)	1,400		1,400	Based on 14 % of Total of \$10,000
Rental of Equipment	1,168		1,168		1,168	
Insurance - General Liability	-	-	-		-	
Miscellaneous Expenses	835	-	835		835	
UTILITY OPERATING EXPENSES	209,627	(17,977)	191,650	-	191,650	
OTHER OPERATING EXPENSES:						
Depreciation	5,900	-	5,900		5,900	Based on Straight Line
Property Taxes	1,132	-	1,132		1,132	
Other Taxes and Licenses	2,749	-	2,749		2,749	
OTHER OPERATING EXPENSES	9,781	-	9,781	-	9,781	
TOTAL UTILITY OPERATING EXPENSES	219,408	(17,977)	201,431	-	201,431	
TOTAL UTILITY OPERATING INCOME	(55,836)	18,925	(36,911)	184,333	147,422	
OTHER INCOME AND DEDUCTIONS:						
Interest and Dividend Income	5	(5)	-		-	
Interest Expense	5,017	3,060	8,077		8,077	
Rate Case expenses	-	-	-	18,508	18,508	
TOTAL OTHER INCOME AND DEDUCTIONS	5,022	3,055	8,077	18,508	26,585	
NET INCOME BEFORE TAXES	(60,858)	15,869	(44,989)	165,825	120,837	
Income Taxes - State (Refund) Expense	-	(3,149)	(3,149)	11,608	8,459	7 % of Net Income Before taxes
Income Taxes - Federal (Refund) Expense	-	(15,746)	(15,746)	58,039	42,293	35 % of Net Income Before taxes
INCOME TAXES	-	(18,895)	(18,895)	69,647	50,752	
NET INCOME	(60,858)	34,765	(26,093)	96,178	70,085	
OPERATING MARGIN	-17.4452%		-7.4798%		20.0903%	

Book Asset Detail - 1/01/06 - 12/31/06

Asset	Property Description	Date In Service	Book Cost	Book Sec 179 Exp c	Book Sal Value	Book Prior Depreciation	Book Current Depreciation	Book End Depr	Book Net Value	Book Method	Book Period
Group: FURNITURE & FIXTURES											
18	EXECUTONE PHONE	5/15/91	240.98	0.00	0.00	240.98	0.00	240.98	0.00	S/L	6.0
40	COMPUTER HARDWARE/SOFT	3/16/94	1,221.68	0.00	0.00	1,221.68	0.00	1,221.68	0.00	S/L	5.0
	FURNITURE & FIXTURES		1,462.66	0.00c	0.00	1,462.66	0.00	1,462.66	0.00		
Group: LAND											
43	LAND	2/28/88	16,270.00	0.00	0.00	0.00	0.00	0.00	16,270.00	Memo	0.0
	LAND		16,270.00	0.00c	0.00	0.00	0.00	0.00	16,270.00		
Group: LEASEHOLD IMPROVEMENTS											
41	40' FENCE	5/30/91	635.00	0.00	0.00	463.02	31.75	494.77	140.23	S/L	20.0
42	85' FENCE	5/30/91	680.00	0.00	0.00	495.83	34.00	529.83	150.17	S/L	20.0
	LEASEHOLD IMPROVEMENTS		1,315.00	0.00c	0.00	958.85	65.75	1,024.60	290.40		
Group: PLANT & EQUIPMENT											
44	SEWER LINES	1/01/69	3,911.71	0.00	0.00	3,911.71	0.00	3,911.71	0.00	S/L	25.0
46	CHLORINE PIT	7/01/71	10,786.48	0.00	0.00	10,786.48	0.00	10,786.48	0.00	S/L	25.0
50	AERATOR	3/01/77	1,373.50	0.00	0.00	1,373.50	0.00	1,373.50	0.00	S/L	5.0
51	S/S CABLE	4/01/77	1,039.58	0.00	0.00	1,039.58	0.00	1,039.58	0.00	200DB	10.0
52	FLOW MONITOR	7/01/77	2,725.84	0.00	0.00	2,725.84	0.00	2,725.84	0.00	200DB	10.0
53	CONCRETE SLAB FOR WWTP	2/20/90	625.00	0.00	0.00	625.00	0.00	625.00	0.00	S/L	10.0
54	CHLORINATOR	11/15/90	9,893.10	0.00	0.00	9,893.10	0.00	9,893.10	0.00	S/L	10.0
55	PUMP, ETC.	1/22/91	5,136.95	0.00	0.00	5,136.95	0.00	5,136.95	0.00	S/L	10.0
56	POWER POLE	1/02/91	1,400.00	0.00	0.00	1,400.00	0.00	1,400.00	0.00	S/L	10.0
57	WATER LINE	5/10/91	9,797.61	0.00	0.00	9,797.61	0.00	9,797.61	0.00	S/L	10.0
58	P&S CONSTRUCTION - EQUIP &	7/24/91	10,249.37	0.00	0.00	10,249.37	0.00	10,249.37	0.00	S/L	10.0
59	10 HP CFSS AERATOR	10/04/91	5,392.50	0.00	0.00	5,392.50	0.00	5,392.50	0.00	S/L	10.0
60	7 1/2 HP AERATOR	10/10/91	1,000.00	0.00	0.00	1,000.00	0.00	1,000.00	0.00	S/L	10.0
61	PUMP STATION-LUMP SUM	4/01/97	56,870.00	0.00	0.00	49,761.25	5,687.00	55,448.25	1,421.75	S/L	10.0
62	GOULDE PUMP 2HP	9/19/98	1,473.20	0.00	0.00	1,068.07	147.32	1,215.39	257.81	S/L	10.0
	PLANT & EQUIPMENT		121,674.84	0.00c	0.00	114,160.96	5,834.32	119,995.28	1,679.56		
	Grand Total		140,722.50	0.00c	0.00	116,582.47	5,900.07	122,482.54	18,239.96		

WOODLAND UTILITIES, INC.
REVENUE

NOTES:

(1) To adjust revenues for effect of proposed increase:

	Number	Customer	Old Rate	2006 Revenue	Proposed Rate	New Revenue
(a)	422	Residential Customers	15.00	74,370	31.50	159,516
	3	Commercial Customers	7,455.00	89,460	15,655.50	187,866
		Late Charges - Residential		480		1,030
		Late Charges - Commerical		210		441
		Other Accts Rec. Adjustments		(948)		-
				<u>163,572</u>		<u>348,853</u>

Commercial Customers

	1 BR	2 BR	3 BR	Total
Willow Creek Apartments	90	-	52	142
Woodland Village Apartments	80	156	72	308
	<u>170</u>	<u>156</u>	<u>124</u>	<u>450</u>

School District #5

Schools, Day Care
Per Person w/ Cafeteria

Woodland Utilities, Inc.
Test Year Ended December 31, 2006
Customer Growth

Sewer

Residential Customers as of 1/01/06	422
Apartment Customers as of 1/01/06	450
School (Total Persons) as of 1/01/06	659

Residential Customers as of 12/31/06	422
Apartment Customers as of 12/31/06	450
School (Total Persons) as of 12/31/06	659

BOARD:
Elizabeth M. Hagood
Chairman
Edwin H. Cooper, III
Vice Chairman
Steven G. Kiser
Secretary



C. Earl Hunter, Commissioner

Promoting and protecting the health of the public and the environment

January 17, 2007

Exhibit C

Paul C. Aughtry, III

Glenn A. McCall

Coleman F. Buckhouse, MD

Mr. John M.S. Hoefer
Willoughby & Hoefer, P.A.
PO Box 8416
Columbia, SC 29202-8416

RE: Your letter of January 16, 2007 (copy enclosed)
Woodland Utilities (NPDES permit SC0029475)

Dear Mr. Hoefer:

In the context of a PSC rate case, this letter affirms that this company has a valid DHEC permit to operate this wastewater system. The current permit was issued for a term of December 1, 2004 through May 31, 2009. The facility is authorized to discharge up to 0.288 million gallons per day.

I can be reached at 803-898-4157 or at debessjp@dhec.sc.gov.

Sincerely,

Jeffrey P. deBessonnet, P.E., Director
Water Facilities Permitting Division

Woodland Utilities, Inc.
2712 Middleburg Dr., Suite 208
Columbia, S. C. 29204

Phone 803-799-9663
Office Hours 9:00AM to 4:30PM (Mon-Fri)
For SERVICE EMERGENCIES call 803-765-0940

Property Location:
Customer Name :
Account Number :
Billing Period : FEB. 2007
Current Charge : 15.00
Previous Balance : 0.00
Late Charge : 0.00
Balance Now Due : 15.00
MONTHLY SEWER SERVICE

TO:

SEWER LINE PROBLEMS, CALL 24 HR
SERVICE #. YOU WILL NOT BE
REIMBURSED FOR WORK DONE BY AN
INDEPENDENT PLUMBER.

Balances not paid by the 25th day of month are
subject to a 1 and 1/2% late charge.
RATE SCHEDULES AVAILABLE UPON REQUEST

Billing Period : FEB. 2007
Balance Now Due : 15.00

KEEP THIS PORTION FOR YOUR RECORDS MAIL THIS PORTION WITH PAYMENT

PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA

DOCKETING DEPARTMENT

NOTICE OF FILING AND HEARING

DOCKET NO. 2007 – ____ –S

WOODLAND UTILITIES, INC. – APPLICATION FOR ADJUSTMENT OF RATES AND CHARGES FOR THE PROVISION OF SEWER SERVICE.

Woodland Utilities, Inc. (Woodland or the Company) has filed an Application with the Public Service Commission of South Carolina (the Commission) for an adjustment of the Company's rates and charges for the provision of sewer service. Woodland is a public utility, as defined by S.C. Code Ann. § 58-5-10(3) (Supp. 2006), providing sewer service to the public for compensation in Lexington County, South Carolina pursuant to rates approved by the Commission in Docket No. 1991-237-S.

Pursuant to S.C. Code Ann. § 58-5-240 (Supp. 2006) and 26 S.C. Code Ann. Regs. 103-512.4.A (Supp. 2006), the Company requests that the Commission approve an increase in its monthly sewer service.

In support of its request for an adjustment in the Company's sewer rates, Woodland asserts, among other things, that the proposed sewer rate increase is necessary in order that it may provide reasonable and adequate service to its customers, comply with standards and regulations set by the Department of Health and Environmental Control and other governmental agencies which regulate the environmental aspect of the Company's business, and earn a reasonable return on its investment and attract capital for future improvements. The Company also asserts that the proposed sewer rate increase is necessary to preserve its financial integrity and to permit continued investment in and maintenance of its facilities so as to provide reliable and high quality services.

THE PROPOSED CHANGES IN THE RATES AND CHARGES ARE SET FORTH BELOW
(The complete rate schedule is available from the Company at the address below and on the Commission's website at www.psc.state.sc.us)

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2007 FEB 16 PM 3:18
SC PUBLIC SERVICE
COMMISSION

DOCKET NO. 2007-____-S
NOTICE OF FILING AND HEARING
PAGE 2

SEWER

Monthly Charges

Residential - charge per single-family house:	\$31.50 per unit
Apartment:	\$31.50 per unit
Schools (with Cafeteria, no gym, no showers):	\$2.46 per person*

* Based upon SCDHEC's guidelines for unit contributory loadings to wastewater treatment facilities.

In order for testimony and evidence to be received from all interested parties, a public hearing will be held in the Commission's Hearing Room, Synergy Business Park, 101 Executive Center Dr., Columbia, S.C. on _____, 2007 at _____ a.m.

Any person who wishes to testify and present evidence at the hearing should notify, in writing, the Docketing Department and John M. S. Hoefer, Esquire, Willoughby & Hoefer, P.A., Post Office Box 8416, Columbia, South Carolina 29202-8416 on or before _____, 2007, and indicate the amount of time required for the presentation.

Any person who wishes to express their views but is unable or does not desire to appear and testify at the hearing should submit those views to the Docketing Department, in writing, on or before _____, 2007.

Any person who wishes to participate in the hearing, as a Party of Record with the right of cross-examination should file a Petition to Intervene in accordance with the Commission's Rules of Practice and Procedure, on or before _____, 2007.

Persons seeking information about the Commission's Procedures should contact the Commission in Columbia at 803-896-5100.

Public Service Commission of South Carolina
Attn: Docketing Department
Post Office Drawer 11649
Columbia, SC 29211

_____-_____-____-